

## Research Article

# Digital Transformation in Public Policy during the New Order at the Regional Revenue and Management Agency of Sumedang Regency

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**Abstract.** The Industrial Revolution 4.0 has brought significant changes in human life, including in dealing and working from manual to digital. Besides that, the existence of Covid-19 has also changed a new order of life which is called the new Normal. The Sumedang Regency Government at the Sumedang Regency Regional Revenue and Management Agency has responded to this challenge by implementing digital transformation in public policy by implementing an Electronic Based Government System (SPBE) policy through a service known as e-Office. This study aims to analyze the digital transformation of the Regional Revenue and Management Agency of Sumedang Regency. This research uses a qualitative approach with descriptive methods. The results of the study show that digital transformation of policies and public services at the Sumedang Regency Revenue and Management Agency has gone very well with the application of e-office. The application of e-office applications in addition to implementing several central and regional government policies, is also used as an internal service tool to assess the work of apparatus in carrying out basic tasks and functions individually. In this study it was also found that e-office applications still need to be developed between local governments and other parties with the concept of collaboration.

**Keywords:** *Digital Transformation, Public Policy, e-office, Covid-19, Public Services.*

## A. INTRODUCTION

The emergence of the Industrial Revolution 4.0 will bring changes to the way human life, including in dealing and working, from being completely manual to being completely digital. This will provide great opportunities and opportunities for Indonesia, including government organizations, to innovate in carrying out their duties and functions (Basuki, 2018). Utilizing IT developments will accelerate e-governance in government administration such as technology-based public services. Digital transformation has become a global phenomenon that is increasingly important in various aspects of human life (Gioh, 2021).

The development of information and communication technology has accelerated the integration between technology and daily activities, including in the government sector. In the midst of the Covid-19 pandemic, the importance of digital transformation is increasingly emphasized to ensure the smooth running of public services and the performance of public policies. This is in accordance with the mandate of article 23 of Law Number 25 of 2009 concerning Public Services that public service providers are required to manage electronic and non-electronic information systems which include administrator profiles, executor profiles, service standards, service announcements, complaint management and performance appraisal so that services can be done easily, quickly and transparently (Tanjung et al, 2022).

The enactment of regional autonomy gives flexibility to the regions to manage and utilize regional resources in order to achieve social welfare. Regional development and progress will always be encouraged in order to realize regional independence so as to

encourage new thinking to organize the authority they have effectively and efficiently in accordance with the capacity and will of the local community through the aspirations of the people in the area. This shows that governance is not only the responsibility of the government, but also the responsibility of all components of actors in a country (Astomo, 2014).

Some of the problems identified provide information that local governments are faced with problems caused by Covid-19. To carry out their duties and functions during the Covid-19 pandemic, government institutions as executors will carry out various analyzes related to regulatory systems, normative systems, and cultural-cognitive systems to ensure various programs are implemented and evaluate program performance during the pandemic (Sulistiani & Kaslam, 2020).

Political decisions as an instrument that allows for the mobilization of several policies. Political instruments such as power, authority, legitimacy, and public, state, and current issues can become political instruments to question and pressure the government (Setyawan et al, 2022). Then the instrument will give influence to decision making, the authority to ask for information so as to produce various policies with mutual agreements that are ready to be implemented. Furthermore, government instruments are policies, then in the context of government activities these policies will work when various further arrangements pay attention to regulatory instruments, economic instruments, and information instruments (Murti et al, 2021).

The local government's decision to implement a new order through the effectiveness of the *e-Office* as an effort to manage the bureaucracy is based on the Regent's Regulation Number 53 of 2020 concerning the Work System for State Civil Apparatus in Implementing the Adaptation of New Habits. In addition to controlling *work from home* through the MARKONAH application (Let's Work from Home), as well as performance accountability (SAKIP) during and after the pandemic (Wibowo & Afriyani, 2021). The government uses a variety of instruments to achieve its policy objectives, ranging from indirect methods, such as subsidies and cash transfers as economic stimulus, to more direct methods involving the provision of government services. On the basis of change, policy analysis, policy objectives, and derivations, policy transformation becomes a rule that demands change to respond to various symptoms that can hamper service, government, and governance activities (Das, 2021).

*e-Office* service policies, in its implementation there are still obstacles in efforts to carry out government activities in the Agency Regional Management and Income of Sumedang Regency. *First*, even though *e-Office* has issued 2,700 electronic letters during the pandemic, the amount of *bandwidth* is still small, the integrity of performance reporting compliance, human resources are the main obstacles to the efficiency of *e-Office implementation*. *Second*, the adjustment of internal service activities in the new order era by strengthening information technology to encourage optimal service has not achieved the expected goals because it requires adjustments to new ways of working that have never existed before.

Research and reports from the OECD (*Organization for Economic Co-Operation and Development*) in 2020 found that during the COVID-19 pandemic, policy transformations were carried out from various sectors to provide reactions and strategies for the impacts caused during the COVID-19 pandemic. Among them are governance, services and government activities that were previously in the form of paper to electronic (OECD, 2020). Malhotra et al (2020) in his study found that various forms of changes in government activity in providing public services demand flexible and responsive policies to create a sustainable digital architecture.

Studies from Filgueiras, Flávio, and Palotti (2019) found that government policy transformation is a process of institutional change in public organizations towards digitalization changes. Transformation shows the standard form of policy change (economic, socio-cultural,

government administration, public services, and so on). Agostino et al (2020) found that in unforeseen circumstances such as the COVID-19 pandemic, the delivery of public services cannot be delayed, but must be delivered online *by* relying on available digital technology and transforming policies into a framework for work. But the social and organizational challenges associated with transformation underscore the issues organizations will have to face in the future and not just in emergencies like COVID-19. On the other hand, the government is a service catalyst and the community is placed as a passive recipient of services. Increasing public participation is the basis for further evaluation to maintain a balance between rational provision and efficiency of public services (Clement, 2020.).

The Sumedang Regency Regional Revenue and Management Agency needs to carry out policy transformation towards digitalization through e-office to improve performance and service to the community. Digital transformation in the government sector enables the use of technology to speed up and simplify various administrative processes, including processing financial data, tax management, as well as faster and more efficient public services. Therefore, the Regional Management and Revenue Agency for Sumedang Regency needs to improve the understanding and application of e-office to optimize performance and service to the community.

## B. METHODS

The research method used is qualitative, the selection of this method is an attempt to answer the formulation of the research problem described above. With qualitative a researcher can search for the meaning contained in the phenomenon of the problem, it is expected to be able to explain, describe, and to understand the phenomenon of the problem that is happening (Creswell, 2013 ). Specifically, this research uses qualitative methods with descriptive research strategies. Taylor et al (2015) provide reasons why researchers use descriptive methods. First, descriptive is communicated through data and theoretical is communicated through concepts illustrated by data. Second, that the descriptive data obtained is more detailed and in-depth, the data depicts realistically the actual events and cannot be described numerically. The data collected will be analyzed using the model developed by Miles, Huberman, & Saldana (2014 ) which states that qualitative data analysis is an ongoing iterative initiative, the interactive model above describes an interactive cycle process moving between the four models during data collection, then iteratively between *data reduction*, *data display*, *drawing/verifying*. *Data reduction*, requires data reduction which demands towards a decision in presentation so that it can be verified. The data that has been reduced using standard procedures is expected to provide data conclusions that can be used to formulate appropriate arguments. In the end it is a guide to help researchers to produce *novelties*, contribute knowledge in the form of concepts even generate theory.

## C. RESULTS AND DISCUSSION

### 1. Public Policy Transformation

In general, policy transformation occurs because of symptoms that can cause various negative effects. Through discussions and based on data and facts and in collaboration with other institutions, policy transformation plays a role in decision making, creates various programs and activities to build networks and coordinates decision makers at the administrator level and is implemented at the manager level. Build consensus to translate policies with various possibilities that can arise due to various factors such as resource problems, implementing inappropriate strategies, and developing knowledge that can be adopted (Haryati & Ferriswara, 2020).

Policy transformation challenges the notion of inherent boundaries in policy making and development. In addition, if it is implemented, the extent to which the policy transformation will end depends on the prevailing environmental factors, the appropriateness of the reforms, and the implementers' in-depth understanding of the reform instruments and policies. However, existing studies find that when implemented, decentralization faces several contextual challenges including simplistic levels of implementation, policy reproduction, cultural factors, and unintended consequences of not achieving the desired transformational results. For this purpose, a better understanding of the dynamics of policy transformation will result in a change effect on the policy object itself (Hadi et al, 2020).

transformation is a refinement process that changes policies to be implemented, produces *outputs* that are part of a complex policy process to realize various objectives resulting from various causes. As an example in this research theme is policy transformation to change the effectiveness of *e-Office services*. So far, the *e-Office application* has been available, but the effectiveness of its use has not been maximized. The basis for changing this policy started with the Decree of the Minister of Home Affairs of the Republic of Indonesia Number 440-830 of 2020 concerning Guidelines for a New Normal Productive and Safe Corona Virus Disease 2019 for State Civil Apparatuses within the Ministry of Home Affairs and Regional Governments. West Java Governor Regulation Number 30 of 2020 concerning Guidelines for Large-Scale Social Restrictions (PSBB) in handling *Corona Virus Disease 2019* (COVID-19) in the Bandung City Area, Cimahi City Area, Bandung Regency Area, West Bandung Regency Area, and Sumedang Regency Area . To carry out the aims and objectives of several of these policies due to the COVID-19 pandemic (implementation of a new order) and influenced by several policies of the Central Government, the Sumedang Regency Government functions the e-Office for the purpose of ensuring the performance of the bureaucracy runs, and services can still be carried out properly , use *The e-Office* is also an effort to break the COVID-19 supply chain through Regent Regulation Number 53 of 2020 concerning the Work System for State Civil Servants in the Implementation of New Normal Adaptation which has a background from various previous government policies.

Public policy transformation always moves on the basis of encouragement to contribute to making better public policies. All of these activities have built networks and coordinated transformation with policy makers at central and regional levels. Policy-based systems management provides a means for administrators, end users, and application developers to manage and dynamically change the behavior of an action. Policies that are "ordinary" oriented, in the sense that they are only a guide for carrying out government activities, must be changed to policies that are oriented towards higher results to improve services during a pandemic (Widodo, 2021).

Policy transformation can be carried out with policy management tools that take a policy and change it from one form to another, mapping policy objectives that are more detailed and tend to be specific for each policy discipline before being implemented and interpreted by policy implementers. This makes policy-based approaches more difficult to apply in certain circumstances. Therefore, the influence of the service policy transformation process is to emphasize the position of services using new (electronic) ways, focusing on needs, funding, promotion, implications, and system integration in government activities (Junaidi, 2021).

## 2. Digital Transformation of Public Services

According to Huang & Karduck, (2017), almost all countries in the world have digitally transformed their public services by having the Internet, or what is called e-governance. Several countries are still in the entry-level publish only stage, and many countries are in the advanced

transaction stage. The eGovernment Transformation Plan as outlined by Huang & Karduck, (2017), is built from six main steps such as:

- a. **The e-Presence phase** The government intends to publish information through the website. This stage creates placeholders for the transformation framework to produce the information that needs to be processed to deliver the service.
- b. **Interaction Phase** This stage sets out interactive web-based initiatives to the public. While the interactions at this stage are simple, and require much refinement, they create elements of a framework that will give the public the ability to make contact with government, and to streamline basic government operations.
- c. **Transaction Stage** The transaction stage allows the public to complete some basic transactions, go completely online, and avoid the trip to the office. Examples include applying for a license renewal, applying for assistance, or providing personal information updates. These stages build a payment service system, so that the framework is able to take e-payments. This type of application allows for increased exchange of data, or sharing of information, between government agencies. However, it should be noted that “although the degree of interactivity is greater than that of the second phase of the initiative, the activities still involve a primarily one-way flow of information (either to the government or to the client, depending on the activity). Electronic responses are generally very regular and produce predictable results. So, although it is more operational, it cannot be considered complete at this stage.
- d. **Transformation Stage** The transformation phase is directed at adding value and a sense of customer service to the basic framework set out in the previous stage. It is not about adding new systems, but rather designing upgrades, or changing existing systems and adding efficiency and convenience and should be developed both vertically (in terms of what is delivered to customers), and horizontally (to define interactions between government sectors). This is the culmination of evolution for e-government, because of the power it has to change governments. This not only ensures higher, more engaged, and more service-oriented interaction with the public, but also "facilitates the seamless flow" of materials or information, and improves cross-structural decision-making, among federal, state, local, public, and stakeholders. private. Some experts have gone so far as to claim that, at its most advanced level, this transformation could allow governments to reorganize, and eliminate unnecessary departments through shared responsibility through virtual channels.
- e. **e-Participation Stage** The participation phase takes longer to achieve than the previous stages, representing a long-term set of goals for the development and implementation of the developed eGovernment framework. In terms of thinking about a business as a start-up company, it is the stage where a business moves from start-up to a mature business. Digital governance structures, by creating tools that accommodate features such as online voting, conducting consumer research, enhancing the interaction of government agencies, and other operations and services, can improve government efficiency and civic engagement.
- f. **eBorder/Border/Regional Stage** Another long term process for improving eGovernment over time, involves making contact with other neighboring government systems, to offer collaboration with the next government. Achieving this goal requires governments to share and exchange data between countries, according to agreed common goals. With an understanding of the stages and goals is to begin a greater understanding, how to work through these stages to provide eGovernment can increase internal efficacy  
Public organizations need to innovate to achieve higher output levels with reduced input levels, according to a focus on efficiency through New Public Management reforms or



reductions in available funds due to the recent economic crisis and government austerity (Suzuki & Demircioglu, 2019). In addition, long-term challenges, such as climate change and demographic transition, require changes in the approach used by governments (Vivona et al., 2020). At the same time, changing societies (eg, family structure, employment levels, wealth inequality) require new or improved services, while the digital age has raised expectations for service delivery. So, to meet the needs of society, the government must find ways to increase citizen involvement in the logic of co-design and co-production of new services.

The latest approach by governments around the world are applications such as one-stop portals that aim to enable greater participation from the people and serve the purpose of implementing policies and fostering social innovation. An example of innovation from several agencies that have carried out digital transformation is the e-office application implemented at the Regional Revenue and Management Agency of Sumedang Regency.

### **3. Digital Transformation in the new era of the Regional Revenue and Management Agency of Sumedang Regency**

Presidential Regulation Number 95 of 2018 concerning Electronic-Based Government Systems is the basis for the Sumedang District Government to establish e-Office service policies. E-Office is a mobile application intended for State Civil Apparatuses within the Sumedang Regency Government which is a website and android-based government administration recording and reporting application in Sumedang Regency. In February 2019 the design of the e-Office application was started, followed by trials of its use in April 2019 in several Regional Apparatus Organizations including the Sumedang Regency Regional Revenue and Management Agency.

Policy transformation is directed at improving the performance, supervision and accountability of programs and activities through *e-Office*. To support the acceleration of change in the new era of policy transformation, *e-Office services* have a foundation of various rules available. First, the Sumedang Regency government conducted and sought related regulations, coordinated with central agencies to start planning the transformation of *e-Office service policies*. Whereas the COVID-19 pandemic is not the main reason for the transformation of e-Office service policies, but the implementation of e-Office tends to have a significant role during a pandemic which limits all apparatus activities.

The implementation of e-Office service policy transformation is an effort by local governments to implement several national programs such as SPBE and bureaucratic reform. There are several obstacles that can hinder the goals that have been planned before. Such as the quality of apparatus human resources to use technology (e- Office), the integrity of the apparatus which has not met expectations in the use of e-Office, and the rigidity of adopting new habits in the activities and work of apparatus. Therefore the local government has and implements regular monitoring and evaluation methods and requires apparatus to use e-Office in every activity at the Sumedang Regency Regional Revenue and Management Agency.

Observation results provide information, the application of *e-Office* at the Regional Revenue and Management Agency of Sumedang Regency Apart from being an implementation of several central and regional government policies, *the e-Office* is used as an internal service tool, assessing the work of apparatus in carrying out individual main tasks and functions. With the convenience provided by the local government as *a provider*, it is hoped that the aims and objectives of using *e-Office* can be achieved. Constant change and a drive for innovation are natural in government. It impacts people, processes and systems in equal measure and there is a need to create flexible systems that can adapt and change on demand. In particular, identify ways to manage needs as important for the successful implementation of internal apparatus services.

Furthermore, further development of the e-Office application for the Sumedang Regency government, especially the Regional Management and Revenue Agency, was carried out in collaboration with various parties. There is a significant difference between cooperation and collaboration. Collaboration is a joint effort to achieve a common goal, while collaboration is working together to make something. Collaboration is carried out to avoid planning and program failures, development with the principle of collaboration provides better results and participation. In general, the government provides budgetary resources for programs that can be carried out by various parties.

The advantage gained from the collaboration between the Sumedang Regency Revenue and Management Agency and other parties is the transfer of knowledge which is injected into the management of government programs and activities. There is sharing or joint risk management (*risk management*), there is accuracy in implementation, and opening up long-term investments. So at this time the collaboration model with other parties is the main menu for the government to carry out various activities with the aim that the programs planned are on time and can provide the right benefits. For example, the Regional Management and Revenue Agency for Sumedang Regency in designing and running *e-Office* cooperates with the private sector (such as programmers who design *e-Office applications*) so that a super application is created that is in accordance with the wishes and needs of local governments and in accordance with applicable regulations. Then this application is also developed according to conditions and needs in order to stay abreast of government policies which can change at any time.

In addition, the implementation of *e-Office* requires a network connection and various technological equipment settings so that it can be accessed and functions properly. The network is only provided by the private sector so that mutually beneficial cooperation occurs. The government uses private networks, and the private sector benefits from government budget allocations. However, the performance reputation of the private sector is a consideration to be able to cooperate. In addition, governments replicate best practices, learn lessons, provide adequate staff, infrastructure and resources for existing and new coordination capabilities, and create more co-financing opportunities for collaboration between agencies.

Collaboration schemes that have been implemented so far have had impacts and benefits. Public-private collaboration is a valuable tool for tackling big problems, but real barriers can discourage agencies from using it. Administrative guidance that leverages the wealth of expertise and leverages existing resources within each institution can be beneficial in spurring innovation across sectors. In addition, the implementation team should have designated leaders, roles and responsibilities, and work together to ensure that results are aligned with policy and management. Executive level officials should be mobilized to help implement cross-agency initiatives to sustain the momentum for change.

#### **D. CONCLUSION**

The transformation of the e-Office service policy at the Sumedang Regency Regional Revenue and Management Agency has been running effectively. Policy transformation will change all forms of activity by paying attention to changes, efficiency of an object, and reviewing characteristics and the benefits of the change itself. The local government, in this case the Management Agency, requires greater trust from various parties if transformation is to occur. Developing a new form of internal service (*e-Office*) is not just a rational process and requires a form of leadership that goes beyond a set of tools and competencies. This requires belief in long-term learning effects. A change will emerge from the apparatus working to change and challenge old work patterns in practice. Innovation requires conceptual modeling that conveys “connectedness” and can help navigate the complexities of reality. It is important

to disclose the transformation of *e-Office* service policies as a response to the implementation of the new order during the COVID-19 pandemic which limited all activities.

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